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SUBJECT: SECRETARY OF TRANSPORTATION TALKS TRAINS, PLANES,
AND ROAD SAFETY IN RUSSIA

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Summary

1. (U) November 18-20, Secretary of Transportation Ray LaHood led the USG delegation to the First Global Ministerial Conference on Road Safety. Officials from the Department of Transportation's (DOT) National Highway Transportation Safety Administration (NHTSA), U.S. Centers for Disease Control and Prevention (CDC), Department of State, and the Millennium Challenge Corporation (MCC) made up the USG delegation. In addition to the Ministerial, Secretary LaHood also attended the 200th Anniversary Celebrations of the Ministry of Transportation of the Russian Federation. Between the two events, the Secretary also met with President Dmitri Medvedev, Minister of Transportation Igor Levitin, President of Russian Railways (RZD) Vladimir Yakunin, U.S. business representatives, and students from two of Russia's transportation universities. Site visits included Russia's high-speed train and General Electric's (GE) new Technology Center. The visit also provided the Secretary with many press opportunities in which to emphasize his message on road safety and to speak of new areas in which the U.S.-Russia bilateral relationship can grow. By discussing topics not usually on the bilateral agenda, such as transportation and road safety, Secretary LaHood's visit marked an important step in the continuation and expansion of the new re-set process in U.S.-Russia relations.

Ministerial

2. (U) On November 18-20, Secretary of Transportation Ray LaHood led a delegation of 12 USG officials to Moscow to attend the First Global Ministerial on Road Safety (Ministerial), organized by the Russian Ministry of Interior and co-chaired by the World Health Organization. The USG delegation included high-level DOT and NHTSA representatives, the Deputy Director of CDC, and MCC and State Department representatives. Secretary LaHood spoke at the Ministerial on November 19, presenting USG efforts to reduce distracted driving. The Ministerial was attended by health and transportation officials from approximately 150 countries, with most represented at the Minister level.

Meeting with the Minister of Transportation

3. (SBU) On November 18, Secretary LaHood, accompanied by Ambassador Beyrle, had a bilateral meeting with Russian Minister of Transportation Igor Levitin. During the meeting Secretary LaHood stressed his desire to improve U.S. cooperation with Russia on transportation issues, especially road safety. He proposed the creation of a working group of U.S. and Russian experts which could discuss further cooperation on a range of transportation issues) including toll roads, ports, railroads and civil aviation. Ambassador

Beyrle offered that this working group would fit in well with the Presidents' Bilateral Commission and suggested that transportation become a sub-working group under the Business Development and Economic Relations Working Group. Minister Levitin agreed and, noting that previous U.S.-Russian cooperation on transportation had not been very active, stated that he will organize a visit to the U.S. and give the green light to his ministry's officials to increase cooperation with their U.S. counterparts. Secretary LaHood welcomed this decision and agreed to send the Minister additional information on the U.S. National Rail plan, the U.S. toll road system, and additional information on road safety. (Note: On November 20, Ministry of Transportation staff approached the embassy to request starting discussions of the work of the sub-group. End Note.)

¶4. (SBU) During the meeting Minister Levitin noted that President Medvedev wants to attract foreign investment and new technology to Russia and has made cooperation with foreign partners a high priority. He then presented several new projects his ministry is pursuing that could benefit from foreign investment. He noted the development of high-speed rail, and the initial steps taken in working with the German company Siemens on the Moscow-St. Petersburg line. The Minister stressed that Russia will need significant investment in developing its high-speed rail system and looked forward to greater engagement with the U.S. in this sector. Secretary LaHood responded that President Obama has introduced a bill to fund USD 8 billion in transportation infrastructure in the U.S., including to jump-start high-speed rail. Minister Levitin also mentioned the need for modernizing locomotive engines on conventional trains, adding that the GOR has been cooperating with General Electric (which is assembling engines in Kazakhstan.) Minister Levitin then noted that the GOR would soon put out

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tenders for the next stages of Sheremetyevo Airport renovation (for expansion from 15 to 35 million passengers by 2015) and invited U.S. companies to participate.

¶5. (SBU) Switching to aviation, the Minister noted the excellent relations his ministry has with Boeing. He cited Boeing as a prime example of the type of foreign investment and technology transfer Russia seeks. Minister Levitin mentioned the polar air routes that enable commercial carriers to fly passengers more quickly from North America to Asia at significant cost savings. He added that Russia wants to increase the capacity of these routes so that they can be more intensively utilized by U.S. airlines. Minister Levitin also explained Russia's current efforts to develop the port of Murmansk to facilitate cargo transport from North America. Secretary LaHood noted that better use of ports) and "marine highways") would help alleviate road congestion.

¶6. (SBU) Speaking frankly about road infrastructure, Minister Levitin acknowledged that Russia has "major problems." Russia has 45 million cars, but its road system is not well developed. The Minister stated that the GOR will begin to construct toll roads next year for the first time ever and wanted to benefit from the U.S. experience in this area. He planned to send officials from this ministry to meet with U.S. experts next year.

¶7. (U) After the meeting, Minister Levitin invited Secretary LaHood to watch the end of a concert/award ceremony for the students of all of Russia's various transportation universities. At the Minister's invitation, Secretary LaHood took the stage, presented one of the awards and delivered short, impromptu remarks about the importance of students in the future of transportation.

Trains, Planes and Students

¶8. (SBU) On November 19, Secretary LaHood visited Russia's new high-speed Sapsan train, driven down especially for the

Secretary's visit, which will start regular service between Moscow and St. Petersburg in later this month. President of RZD Yakunin gave the Secretary a tour of the German-built train, parked on one of the platforms of the Rizhsky train station, and presented the future of high-speed rail passenger service in Russia. While touring an exhibition on the high-speed train and riding a train simulator, Yakunin and the Secretary conducted discussions on the future of high-speed rail in both of their countries.

¶9. (SBU) Then Secretary LaHood visited General Electric's (GE) newly opened Energy and Transportation Engineering Center in Moscow, where aircraft and train engines are designed and developed. Ron Pollett, President and CEO of GE Russia, provided an overview of GE's wide range of activities in Russia -- energy, healthcare, finance, aviation, media and transportation. Highlighting GE's 90-year history in the market, Pollett discussed Russia's strategic importance to the company, focusing particularly on opportunities in the railroad sector. Secretary LaHood then toured the design center and spoke with engineers.

¶10. (U) On November 20, Secretary LaHood participated in a roundtable with 40 students from the Moscow Power Engineering Technical University and the Moscow State Automobile and Road Technical University. The students' questions focused on road safety, hybrid vehicles, the "Cash for Clunkers" program, and other issues pertaining to transportation policy in the United States. The Secretary used the roundtable as an opportunity to highlight to the students the dangers of distracted driving.

Meetings with Business

¶11. (SBU) On November 20, 2009, the American Chamber of Commerce (AmCham) in Moscow hosted a breakfast in honor of Secretary LaHood, with 30 members of the business community participating. Companies taking part in the event included United Airlines, Delta Airlines, Boeing, GE, Amsted Rail and others. After Secretary LaHood delivered brief remarks on infrastructure investment in the U.S. funded by the America Recovery and Reinvestment Act, member companies, mainly in the transportation sector, highlighted their achievements as well as market challenges they face in Russia. The principal message to Secretary LaHood was that while U.S. companies have accomplished a great deal in this market, the business environment is not an easy one in which to maneuver. Business representatives added that the Russian Government should be challenged to do more (in advance of WTO accession)

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to make this a friendlier and more transparent market for international investors.

¶12. (SBU) Secretary LaHood also held a private meeting with Sergey Kravchenko, President of Boeing Russia. The two discussed the role of Boeing's Moscow Design center in the development of the 787 Dreamliner, as well as modifications to the 747 and 777 lines. Kravchenko also raised Boeing's submission of a bid to provide up to 50 737-800s to RosAvia, a new government-owned airline, and highlighted USG advocacy in support of the bid. He also told the Secretary of Boeing's role in helping to develop Russia's aviation field by opening a pilot training center in Moscow and helping to develop and expand the polar aviation routes.

200th Anniversary Celebration and Meeting President Medvedev

¶13. (U) As the final event of the visit, Secretary LaHood attended the opening ceremony of the 200th Anniversary Celebration of the Ministry of Transportation, where he gave congratulatory remarks. The ceremony was attended by the Minister of Transportation, Deputy Prime Minister Sergey Ivanov, and Head of the Presidential Administration Sergey Naryshkin. At the end of the ceremony, Secretary LaHood, along with the other 24 foreign transportation ministers, met

with President Medvedev at the Kremlin. During the meeting, at which Secretary LaHood spoke, President Medvedev said that efforts to improve road safety must include not only punitive sanctions and fines but also improvements to the quality of roads and modernizing of road infrastructure. He added that "Russia has approved a national strategy to increase road traffic safety, and a federal targeted program aimed at reducing by 2012 the number of road accidents by 33% has been working since 2006, but still the situation in this sphere remains very hard."

Press

¶14. (U) Secretary LaHood held press availabilities after the meeting with Minister Levitin, the Ministerial conference, the high-speed train visit, and the meetings with AmCham and the university students. His visit was covered by local, TV, radio and print media as well as international wire services such as the Associated Press. His most extensive interview was with Ekho Moskvyy radio station, where for 30 minutes he discussed the Ministerial, how road safety is promoted in the United States, as well as U.S. programs to fund new roads, develop rail transport, and promote the safety of public transportation.

Comment

¶15. (SBU) Secretary LaHood's visit marked an important step in the continuation and expansion of the new re-set process in U.S.-Russia relations. By discussing topics not usually on the diplomatic bilateral agenda, such as transportation and road safety, Secretary LaHood very effectively demonstrated how the U.S. and Russia can cooperate in a wide variety of areas to the mutual benefit of both our countries. The visit also revealed potential opportunities for U.S. companies to participate in Russia's infrastructure development and Secretary LaHood used his meetings with Russian officials to promote U.S. business' ability to do so.

¶16. (U) Department of Transportation cleared on this cable.
Beyrle